

BT Global Macro Fund

Fact Sheet December 2011

ARSN: 132 551 181



Macro Investments

About the Fund

The BT Global Macro Fund is a diversified portfolio of investments with an absolute return focus. The Fund aims to achieve its objective through exposure to quantitative global macro strategies.

Fund objective

The Fund aims to provide a return (before fees, costs and taxes) that outperforms the UBS Bank Bill Index over the medium to long term. The recommended investment timeframe is five years or more.

Investment style

The Fund is managed as an absolute return strategy with exposures to quantitative global macro strategies.

Investment process

BTIM's Macro Strategies team aims to generate alpha using market neutral, top-down strategies in each major asset class including global equities, global bonds and global currency.

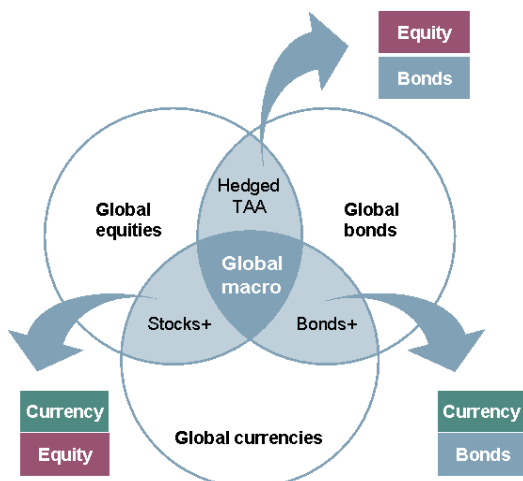
The allocation of investment risk across strategies aims to allow the portfolio to achieve its objective in a range of economic environments.

Using extensive research, the team assesses key macro signals with the aim of identifying and capturing trading opportunities across the global markets:

- Economic: trends in world economies
- Technical: market trading patterns
- Valuation: how cheap or expensive are the assets

The process utilises sophisticated computer models and implements buy and sell recommendations using highly liquid derivative instruments (primarily futures and forwards). The portfolio will also employ leverage via these derivatives.

Each asset class is managed independently and forms the building blocks upon which the Global Macro model is built, as illustrated below:



Performance

(%)	Total Returns		Benchmark Return
	(post-fee)	(pre-fee)	
1 month	-0.28	-0.18	0.40
3 months	0.26	0.56	1.22
FYDT	-3.99	-3.41	2.47
6 months	-3.99	-3.41	2.47
1 year (pa)	-3.83	-2.67	5.00
2 years (pa)	1.71	2.93	4.83
3 years (pa)	3.28	4.52	4.38
Since Inception (pa)	0.71	1.92	4.69

Risk – Since inception

Annualised Standard Deviation	3.98%
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The risk measures are available for periods since actual portfolio inception only. Please note that statistical measures, such as those used above, are more meaningful over longer periods such as 3 and 5 years.

The Global Macro opportunity

The Global Macro portfolio allocates capital equally across the different strategies. As the alpha streams are relatively uncorrelated, the global macro strategy creates a powerful investment model offering:

- Potential for significant diversification benefits
- Smoother risk-adjusted returns than single strategy approaches
- Customisable approach to suit varying risk requirements

These benefits provide the potential for clients to achieve long-term outperformance in their investment portfolios across economic cycles.

Investment team

The Fund is managed by the BTIM Macro Strategies team. The team aims to generate alpha and develop global products from a range of top down strategies. Joe Bracken, Head of Macro Strategies, is responsible for the management of the BT Global Macro Fund.

Portfolio characteristics

Authorised investments	The Fund's underlying strategies will typically use futures, forwards, swaps and options to access asset classes including equities, bonds, currency and commodities.
Risk budget allocation	Capital allocation across strategies is approximately equally weighted
Ex-ante tracking error	2 - 8%
Information Ratio	0.5 - 1.0
Cash and cash equivalents	Typically < 5%
Hedging	The Fund's underlying strategies are expected to deliver returns hedged back to the AUD

Other information

Fund size (as at 31 Dec 2011)	\$41 million
Date of inception	August 2008
Minimum investment	\$25,000
Buy-sell spread	0.04% ¹
Distribution frequency	Semi-annual
APIR code	BTA0314AU

Fees*

Issuer fee**	1.20% p.a.
Performance fee***	20% of the performance (before fees) above the performance hurdle
Performance hurdle	Benchmark plus Issuer fee

Monthly review

December was yet another miserable month for investors bringing to a close an awful year dominated by natural disasters, revolutions and, of course, credit crises on both sides of the Atlantic. The month started, yet again, with another summit in Europe that promised to end the credit crisis once and for all. Once again a lot was promised and little delivered as European leaders attempted to draw up a set of budget rules to impose fiscal discipline within the eurozone. The UK balked at the proposals wrecking any hope of a unified agreement but a smaller set of countries agreed to the *idea* of the proposals if not the details. The ECB helped markets a little by cutting rates by 25bps to 1% and, more importantly, providing over €2.5 billion in loans to financial institutions via a 3 year LTRO. The economic news was mixed with US numbers - ISM, unemployment and durable goods orders - looking better while Europe appeared to be going backwards. At the end of December, European equity markets were mixed with Germany down -3% while France was flat. Asian equity markets were mixed and the US was slightly positive for December and 2011. As usual all this uncertainty helped bond markets and Treasury yields fell 19bps to 1.88% while Bund yields fell over 40bps. The EUR fell over 4% ending December at 1.29 while the A\$ held up well staying above parity for much of the month and finished solidly at 1.02.

- Our **Global Equity** strategy was broadly long Europe and short Asia and the US and it returned -168bps for the month as European equities wilted after a poor European summit.
- Our **Global Currency** strategy was long the A\$ and short the EUR and GBP. The EUR fell as expectations for a European solution to the credit crisis faded while the A\$ remained steady and the strategy returned 56bps.
- Our **Global Bond** strategy was long Bunds against UK Gilts and the strategy outperformed by 50bps as the 'safe' German debt rallied in the face of uncertainty about the debt crisis.

The **Global Macro** strategy returned -0.18% (pre-fee) in December as the losses from the Global Equity strategy were not fully offset by gains in the Global Currency and Global Bond strategies.

1_The buy-sell spread represents transaction costs incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

* You should refer to the latest product disclosure statement for full details of the fees and other costs you may be charged.

**This is the fee for managing the assets of the Fund and overseeing the operations of the Fund. The issuer fee is paid from the assets of the Fund and is reflected in the unit price of your investment.

***The performance fee is payable to the manager and is equal to 20% of the amount (if any) by which the Fund's investment performance (before fees) exceeds the performance hurdle. The performance hurdle is the performance of the benchmark (UBS Bank Bill Index) for that day plus the Issuer fee. The performance fee is calculated each business day based on the investment performance and net asset value of the Fund on that day and, where positive, accrues daily in the Fund's unit price. The fee is payable annually as at 30 June. Any under-performance deficit must be recovered in dollar terms before any performance fee can be accrued in the unit price. Any unrecovered performance deficit is carried forward for up to three consecutive years. The performance fee is payable in relation to the performance of the Fund as a whole during each year, and may not reflect the performance of any individual unit holder's investment.



For more information

Please call 1800 813 886, contact your business development representative or visit www.btim.com.au

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Performance figures are calculated in accordance with the Financial Services Council (FSC) standards. Total returns are calculated: to the last day of each month using exit prices; taking into account management costs of the fund; assuming reinvestment of distributions (which may include net realised capital gains from the sale of assets of the fund). No reduction is made to the unit price (or performance) to allow for tax you may pay as an investor, other than withholding tax on foreign income (if any). Certain other fees such as Contribution fees or Withdrawal fees (if any) are not taken into account. Performance data (pre-fee) is calculated by adding back management costs to the (post-fee) performance. Past performance is not a reliable indicator of future performance.

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